Presented

pp 1-97

G. R. S. 58]

Previous references.
G. J. 14.20 Sl 1-3
LB 129-22 Sl 2, 3 & 4

192 (LB).

File No. 129-22

Serial Nos. 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 & 24

Later references.
LB 118.33 Sls 1 to 3.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for September 24

SUBJECT

Construction of Chamarajanagar - Nanjangud Railway by the District Board of Mysore

24 20. The President, Dist. Bd Mysore and the Comptroller
No. 4057-81 d 11.12.24.

directs that the amount to be paid to Government by the District Board be fixed at Rs 1 lakh.

HS.
14.11.25

G. R. S. 11] 1923-24

GENERAL AND REVENUE SECRETARIAT.

L.B

NOTES

File No. 129-22

FILE HEADING.

Construction of the Nanjangud-Chamarajanagar Railway by the District Board of Mysore.

From

The President, Dist Board of Mysore

No. C/1524/L.B Dated 25. 6. 23 Received 27. 6. 23

Diary No. L 6566 Enclos. 3 Spare Copies. Serial No. 6

BRIEF ABSTRACT OF LETTER.

Submits for sanction a draft prospectus approved by the District Board of Mysore for raising a loan of Rs 8 Lakhs for financing the construction of Nanjangud-Chamarajanagar Railway Line and states that the prospectus has been prepared and approved by the Board on the presumption that Government guarantee the repayment of the loan and the interest as in the case of certain other railways in the State.

NOTES AND ORDERS.

The original file L.B 129-22 Sl 2,3,4 was sent to the Rly Secy for his comments in the file-cover in this Secretariat on 16.8.23. Hence the delay in turning up the file.

It is reported that out of the Capital of Rs 12 Lakhs required for the construction of the said railway line, a sum of Rs 4 Lakhs

NOTES—First Sheet.

26/8/23

General and Revenue Secretariat.

L.B. File No. 129 of 19 22

2

Serial No.

is ready for expenditure from the available resources of the Dist. Board including the accumulated Railway Cess of Rs 3,14,552.

2) The District Board of Mysore expects to raise the balance of the capital viz. Rs 8 lakhs by means of a debenture loan as authorised by Govt.

3) The District Board want Govt to guarantee both the principle and the interest. But Govt can guarantee only the payment of interest under rule 2 of the Rules issued under G.O. No. 4932-31/ G.F. 168-13-1 & the 22nd April 1914.

4) In the case of Chitaldrug-Chikkajajur R^y Loan raised by the Chitaldrug Dist Board, only payment of interest was guaranteed by Govt and payment of a discount of 1 percent as mentioned in the last para of the present proposal was omitted by Govt in the sanctioned prospectus of the Chitaldrug-Chikkajajur R^y Loan.

5) The Financial Branch may be consulted in the matter.

6) Submitted for orders.

G.O. No. 3/4/4/4 Revenue F. & No. L697-4 & the LB.129-22-2 9.4.23. (Para 6).

H

Sd/
25.8.23

NOTE—Contn. sheet.

Serial No.

7) Regarding the prospectus itself now before us, the points requiring special comment are (1) Guarantee of principal

(2) Payment of interest at 7 per cent on debentures.

(3) Allowance of a discount of 1 per cent on debentures paid up prior to a prescribed date.

8) It is not usual to guarantee principal and payment of discount was not approved in the case of Chittagong & Bd. Lines.

The Prospectus has not reported the ways and means for meeting the interest and sinking fund charges. but simply says that they will be met from Railway sets and other sources. and that details will be worked out after govt. guaranteed the loan.

9) In this connection reference is invited to the Ry Dept's note under 1.2 & 3 in L.B 129-22 Sts 2, 3 & 4 as regards the results expected from the opening of the line. The net earnings from the line are estimated

P.

NOTE—Contn. sheet.

6566
4

G. R. S. III-2]

General and Revenue Secretariat.

L-B File No. 129 of 1922

Serial No.

at Rs 48,416. The interest to be guaranteed for the term of 8 years proposed to be paid at 7% would amounts to Rs 56,000 while the annual income from Rly ccs in the Dt is about Rs 52,000. With these particulars it may perhaps be possible to decide whether the usual guarantee may be given for the proposed loan

(10) The Financial Secy has to be consulted

25/8/22

25.8.22

Rly Secy

11) The opinion of the Railway Secretary referred to above in the matter of working expenses of the line has not been finally accepted by the then First Member or by the Financial Secretary

Rly Sec:)

CEB 25.8.23.

1485 27.8.23

12) [illegible] 27/8/23

CEB 27.8

13. The Financial Secretary may consult Co. [illegible]

[illegible] 29/8/23

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat.

LB File No. 129 of 19 22.

Serial No.

14. Submitted for favour of opinion.

H 404/23 (Financial Secretary)

29.8.23

31/8

15 This proposal cannot, I think, be brought under the Branch Line Terms notified on 22nd April 1914. Government cannot guarantee the high rate of 7 per cent. and undertake to make good from their revenues the deficiency caused by the net earnings falling below 7 per cent. When the high rate of 7 per cent. is allowed, the bond holders cannot expect additional income from their investment in the form of a share of the surplus profits as contemplated in clause 5 of the Prospectus sent by the Board. The surplus itself is proposed to be calculated with reference to the rate of 4 per cent. on capital outlay and I cannot make out how the bond holders who are guaranteed 7 per cent. interest can get anything in addition calculated with reference to the rate of 4 per cent. with which they will have no concern.

16 If the District Board should undertake this project, I think it should be on the following lines:

(i) Government may guarantee the interest to be paid on the ~~line~~ loan raised by the Board.

NOTE—Contn. sheet.

(ii)

(ii) The Board cannot, I think, float a loan at less than 7 per cent. This is the rate proposed by it and it may be accepted.

(iii) The Karachi Municipality raised by tender only a few days ago a 6½ per cent. loan of Rs.30 lak at the average rate of Rs.99-.866 per cent. This loan was raised under the orders of the Government of India and the securities of the loan are recognised by the Imperial Bank of India Act. The currency of this loan is for a period of 40 years. That an issu backed by the Government of India should have been floated at 6½ per cent. below par shows how difficult are the conditions of borrowing still. In view of this fact, it is desirable to defer the floatation of the loan proposed by the District Board for a couple of years. There is a tendency, though feeble for ~~of~~ the value of money to go down and except for really urgent demands, it is undesirable to contract debts now. If, however, the construction of this abandoned line should be resumed as early as the Board appears to be desirous of doing, the floatati of the loan will have to be seriously considered. I think if the Board offers anything less than 7 pe cent., there is no prospect of getting any response from the investing public. The rate is, of course, not free from incometax and this point has to be

Min in for consideration

made

Serial No.

made clear to the District Board. It is not, howeve necessary to mention anything about this point in t loan prospectus. When nothing is mentioned about the in cometax, it follows that interest is subject to thi tax.

(iii) When Government guarantee interest, there should be a guarantee fund to save them from the ri of any loss. This guarantee fund may be the annual Railway Cess collected in the District. This is estimated at about Rs.55,000 per annum and it will suffice for meeting the interest charge on a loan of Rs.8 lakhs at 7 per cent.

(iv) As regards the currency of the loan to be floated by the Board, the proposal of the Board is that the period should be one of 20 years from the date of opening of the Railway line. I do not thi that it is wise to borrow at the high rate of 7 per cent. for as long a period as 20 years. It is true that the Karachi Municipality has raised its loan at 6½ per cent. with a currency of 40 years. I, how-ever, think that it is undesirable to allow a cu rency of more than a period of 10 years. Long-te loans are not now in favour and it may perhaps ensure the success of the loan if the term is li ed to 10 years.

(v) A sinking fund is necessary because a terminable

Serial No.

terminable short-term loan is proposed. As far as I can see ~~now~~, there is no definite resource - either ~~under~~ net railway revenues or general revenues of the Board - from which annual contributions to the sinking fund could be made. The repayment of the loan may be guaranteed by Government subject to the condition that the Board reserves the savings, if any, under Cess collections and also under the net earnings of the Railway for sinking fund purposes. If by the time the loan falls due for discharge, the District Board will not have accumulated enough to redeem the debt, the Government may either advance the balance to the Board or may buy up the Railway itself and pay the holders of the bonds issued by the Board. The amount to be found by Government will not be ~~much~~ large and there is not likely to be much difficulty for Government ~~to~~ in arranging for the discharge of the debt. The purchase clause to be included in the agreement with the Board may provide for this arrangement.

(vi) I do not think it is desirable for Govt to undertake to work the ~~loan~~ line for a particular percentage of ~~the~~ gross ~~xxx~~ receipts. If it becomes possible to show this consideration to the Board, it might be done later on.

(vii) It is necessary to ~~provide~~ stipulate that if there is

NOTE—Contd. sheet.

Serial No.

I do not think that Board will undertake the work - leave alone the market loan - the state loan - this market loan

is any working loss, it should be borne by the Board from its general revenues.

(viii) It is not clear whether the estimate of Rs.12 lakhs represents the aggregate cost of the construction of the entire line. If so, the expenditure to be incurred out of the loan to be floated should be less than Rs.8 lakhs, as an outlay of about a lakh and a half has already been incurred from the funds of Government and a sum of about Rs.4 lakhs is stated to be available out of the cess collections and other savings of the Board. Making allowance for these two items, the expenditure to be met from loan funds would be about Rs.6½ lakhs. If the intention is that the expenditure already incurred by Government should be repaid by the Board out of the proceeds of the loan, the calculation of Rs.8½ lakhs is correct.

(ix) The loan to be raised by the Board will, in the circumstances stated above, be a general debt of the Board, though intended for the construction of this Railway and the bond holders will have no concern with the Railway nor be entitled to any share of its surplus earnings in addition to the interest rate guaranteed to them.

(x) I do not think it is desirable to call up the amount of the proposed loan in several instal-

ments

6566

G. R. S. III-21

General and Revenue Secretariat.

L.B. File No. 129 of 19 22.

Serial No.

instalments. As the ardour of subscribers sometimes cools down, if time is allowed to spread the payments over a period, it would be better to raise the whole amount within the time during which the loan is offered for subscription. The part of the amount which is not immediately required for expenditure may be invested and some interest earned on it.

(xi) If subscriptions are realised in single instalments as proposed, it is not necessary to allo any discount as proposed in clause 8 of the Prospectus to persons who subscribe within a particular dat

(xii) It is necessary to verify the annual cess collections on which it is proposed to base the guarantee of Government.

(xiii) It is also necessary to make sure that the estimate of Rs.12 lakhs is correct and that there is no chance of its being enhanced later on.

17 Rev Secy (S.G.)

4.9.23

18 Sent with my to the 1st Minister's minute dated 28th Aug 1923.

7.9.23

19 Rev. Sec.)

20 Minister

21 Please submit to Dewan

22 Dewan)

DEWAN'S OFFICE.
NOTE—Contn. sheet
Recd. on SEP 18 1923
Reg. No. 1789

65-66
11

G. R. S. III-21

General and Revenue Secretariat. File No. of 19

Serial No.	
1789	28) Might consider in C 29) I think the opinion of the Finance Concerned in the 1st instance of C might be accepted 28) The loan may be for 15 years —
2325 / 24/9	First Member ~~Chief Secy~~ ~~with compliments~~ 22/9 22/9/23 cb 23.9.23
	29) Note 24/9 24/9/23 Chief Secretary cb 24.9.23
CS 25/9/23	28) Seen 25/9 28) Seen 25/9

NOTE—Contn. sheet.

Extract from the Proceedings of the 676th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 7th December 19 23

291

126. Subject: (Clause xii of the Schedule)

Permission to the Mysore District Board to raise a debenture loan for the construction of the Nanjangud-Chamarajanagar Railway.

OPINION OF THE COUNCIL.

The District Board may be permitted to raise a loan of 8 lakhs of Rupees at 7 per cent at par, not in instalments (not free of income-tax) on Govt. guarantee. The interest charges on the loan will be the first charge on the annual Railway cess collected in the District. The currency of the loan will be 15 years. The repayment of the loan will be guaranteed by the Government on condition that the Board reserves the balance of cess collections, if any, and nett earnings, for Sinking Fund.

Draft Prospectus will be called for from the Board on the above lines. If they agree to the terms of guarantee as now offered, the Government may undertake to work the line on usual conditions.

(Signed) A.R. Banerji.
Dewan of Mysore.

Note-
It is presumed that 12 lakhs include the expenditure already incurred and that the District Board will pay the Government expenditure incurred up to date from their accumulated cess.

"EXTRACT"

Chief Secretary to Government

WD 433—GPB—1,000—1-9-20

C133.

[G. R. S: 12]

W D 473—GPB—1,000—12-9-18

13

General and Revenue Secretariat.

File No. of 191

30) Re: debenture loan for the construction of th Nanjangud-Chamarajanagar Railway.

Extract from the Proceedings of the Council is put up.

Forwarded, with compliments, to the Financial Secretary to Government, under paragraph 9 * of the Government Order No. G. 17572-8—G. M. 676-17-1, dated 22nd June 1918.

By Order,

Chief Secretary to Government.

10.12.23

*9. (a) If the views expressed by the Financial Secretary in any case, whether original or un-officially referred, are not accepted by the Member of Government in charge, or by the Dewan and Members of Council, as the case may be, the file containing the discussions shall be sent to the Financial Secretary a second time, in order to enable him, in cases in which he considers that the orders proposed to be issued are opposed to financial rules of Government or to recognised financial principles or for other reasons of a financial nature, are open to objection, to record a respectful representation to that effect, which will be placed by the Dewan before His Highness the Maharaja for consideration.

(b) All cases sent to the Financial Secretary under this rule should be treated as immediate and returned to the Department concerned within three days of receipt.

31) Submit to Hon'ble Minister for final note

4549
13-12-23

32) 10/12

12/12

13/12

33) S. N. Subbo.
13.12.23

Dewan) 13/12

14/12

Final Note by the First Member of Council.

Subject:— Permission to the Mysore District Board to raise a debenture loan for the construction of the Nanjangud-Chamarajanagar Railway.

Reference is invited to my Final Note dated 11th March 1923 submitting for the approval of His Highness, the resolution of the Council that the District Board of Mysore be authorised to raise a debenture loan for the construction of the Nanjangud-Chamarajnagar Railway and that the Board be asked to submit a definite scheme showing the terms and conditions of the loan and the arrangements for meeting the interest and sinking fund charges. Orders having been issued accordingly in Government Proceedings No.L.6971-4-L.B.129-22-2 dated 9th April 1923, the District Board considered the subject at their meeting held on the 16th June 1923 and passed a resolution that as in the absence of a Government guarantee for the repayment of the loan and interest the loan cannot be successfully floated, Government be approached for the grant of the guarantee and for sanctioning the draft prospectus prepared on the basis of such guarantee. It was also resolved that due provision will be made for meeting the interest and sinking fund charges from Railway Cess and the other income of the Board each year.

The proposal of the District Board is to raise a debenture loan of 8 lakhs at 7 per cent interest per annum, the loan running for a period of 20 years from the date of the opening of the Railway line and the repayment of the loan and interest being guaranteed by Government. It is proposed to find the balance of 4 lakhs required from the available resources of the Board including the accumulated Railway Cess of Rs.3,14,552.

15

The Financial Secretary, who was consulted in the matter, stated that the District Board might be permitted to undertake the project on the following among other conditions:-

para 1020 of office notes

(i) Government may guarantee the interest on the loan;

(ii) The rate of interest to be 7 per cent as proposed, a guarantee fund being formed out of the annual Railway Cess Collections, to save Government from the risk of any loss;

(iii) The period of the loan to be fixed at 10 years;

(iv) Repayment of the loan to be guaranteed by Government, subject to the condition that the Board reserves the savings under cess collections and under net earnings of the Railway for Sinking Fund purposes; and

(v) The whole amount of the debenture bonds issued to be called up once for all and not in several instalments as proposed.

The question was considered at the last meeting of the Council and the Council resolved as follows:-

para 12 of do

"The District Board may be permitted to raise a loan of 8 lakhs of Rupees at 7 per cent at par not in instalments (not free of income-tax) on Government guarantee. The interest charges on the loan will be the first charge on the annual Railway cess collected in the District. The currency of the loan will be 15 years. The repayment of the loan will be guaranteed by the Government on condition that the Board reserves the balance of cess collections, if any, and nett earnings, for Sinking Fund.

Draft Prospectus will be called for from the Board on the above lines. If they agree to the terms of guarantee as now offered, the Government may undertake to work the line on usual conditions

The opinion of the Council may be graciously approved.

Mr Bhurgri Hussain
Member of Council.

Bangalore,
12th December 1923.

Submitted to His Highness.

78

I submit herewith a Final Note by the First *Member of Council on the subject of* permission to the Mysore District Board to raise a debenture loan for the construction of the Nanjangud-Chamarajanagar Railway, *for His Highness' gracious approval.*

Dewan.

14 DEC 1923

17

Record of Cases submitted for the Orders of His Highness the Maharaja

Subject.

37)

Permission to the Mysore District Board to raise a debenture loan for the construction of the Nanjangud-Chamarajanagar Railway.

No 277
14-12-23

Order.

37) ~~KRW~~
15/12/23

38) L.L. Lacy

6566. 18

R. S. III-21

General and Revenue Secretariat. File No. of 192. C 133.

Serial No.

39) Permission to the Mysore Dn. Bd. to raise a debenture loan for the construction of the Nanjangud Chamarajnagar Railway

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at headquarters and then sent to the Secretariat concerned for the issue of orders.

40) Circulated to the Members of Council for perusal of His Highness' orders ~~before~~ after issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Govt.

Through the Secretary to Government
...L. and L. ....Departments

5800
30/1

FIRST MEMBER OF COUNCIL.

41) Put up
17/1.

SECOND MEMBER OF COUNCIL.

THIRD MEMBER OF COUNCIL.

42) L & L Secy, with Comptr.

NOTE—Contn. sheet.

Mono WD/1335—GPB—500—16-1-23.

4/2
24/2
6.2.24

6566 19

G. R. S. 111-2]

General and Revenue Secretariat.

L.B File No. 129 of 1923

Serial No.

43) Draft order sent

18.12.23

18/12/23

Sd Secretary

44) Draft approved

First Member

19/12

19/12/23

45) When the time for floating the loan is settled the Manager of the Mysore Bank may be consulted regarding the terms of issue and if he suggests any revision, the changes recommended by him may be adopted if they are acceptable. 20.12.23

46) Please see note to the Council Resolution and the point mentioned in it is not included in the draft. 20/12/23

47) Draft added to and file revised

21/12/23 Sd Secy

48) Approved

21.12.23

First Member

FINANCIAL SECRETARIAT 10 DEC. 1923

H.W. Co. 1119-23

4811 22-12-23.

NOTE—Contn. sheet.

6866 20

G. R. S. III-2]

General and Revenue Secretariat. | L.B. File No. 129 of 1922

Serial No.

49) May this be submitted to the Diwan with reference to his order dated 16.12.23 on the record of case sheet

& to Secretary)

Diwan)

24.12.23

DEWAN'S OFFICE
Rcvd. on DEC 26 1923
No. 4337

50) Draft approved by member. May issue

28/12

28.12

51) gazette also

52) Issue

28/12

53) Issue at once

28.12.23

54) Vide F.C. Secty's concurrence to the Council resolution at Page (I) and F.C. Secty's minute dt. 20.12.23 (J). Draft & fair copies are put up.

F.C. 12.20/23

55) Issue

4/24

To Comptroller
No. F.3616
dt 6/1/24

8 To the President, Dy. Secy. Revenue
" Comptroller thro' F.C. Secty.
" Secretary for Revn.
" Gazette
L.4998-5001 dt 3/6.1.24

Permit the issue of B.R. to raise a loan of Rs 8 lakhs on certain conditions for extending the Railway line.

Sug

NOTE—Contn. sheet.

4459 21

G. R. S. III-2]

General and Revenue Secretariat. | LB File No. 129 of 19 22

Serial No. 9

Dno. 4459 7/8/2/23

From,

The Pr. St Board, Mysore

No. C. 1524/S13 n-23 d 26.2.24 Recd 7.2.24

States that the Board is agreeable to the conditions mentioned in paras 1(a) & d & 3 of the Govt order & suggests certain alterations in respect of paras 1(b), c, & 2 of the same order.

56) The points for orders are ~~whether~~

(1) The loan may be collected in instalments.

(2) It must be made income-tax free

(3) Out of the expenditure of ½ lakhs* already incurred by Govt, only half may be recovered from the St Board

57) Regarding item no 2, kind attention is invited to Govt notfn no. R 4135/9.7 14-20-3 d 23.9.20 which exempts for a period of 5 years from 1-7-20 ~~[illegible]~~ from income tax the income from Bonds and St Board debentures already issued and to be issued in future.

58) The Financial Secretary may perhaps be consulted on the proposals now received.

(S L Seery)
Financial Secy
(with compts)

14.2.24

* Vide para (VIII) of Fr secy's note on page 9

Flag B

8/2/24

11/2

GENERAL & REVENUE SECRETARIAT
16 FEB 1924
LOCAL SELF GOVT. BRANCH
Fr 1562/23

NOTE—Contn. sheet.

SECRETARIAT
118 24
FL 1554-23

59) If the Board desires to collect subscriptions to the loan in instalments, it may be permitted to do so. I think, however, that this arrangement is inconvenient and if instalments of subscriptions are not paid in time, -- ~~this~~ that they will not be paid regularly is our experience in regard to the loans called up in instalments -- there will be difficulty in financing the ~~work~~ construction of the work.

60) As regards exempting ~~the~~ interest from payment of income-tax, there are two points to be considered:

1. What is the real return on capital, making allowance for income-tax, which will make the loan issue a success? This is a point on which the advice of the Mysore Bank may be taken.

2. Exemption from payment of income-tax means an indirect subsidy by Government to the District Board. It would be better, therefore, to offer the rate, subject to incometax which will make the net return on capital sufficient to make the loan a success.

But the liability in that case will fall upon the District Board - whereas if the loan is made free of tax, the loss will be borne by Government.

61) As regards the recovery of only half the expenditure already incurred by Government on this line, the question is ~~as to~~ what is the present value of the work done so far. If ~~the~~ it is worth the outlay incurred by Government, I do not see how the District Board can claim to take it over at a less valuation. If, however, it is not worth as much as it has cost Governm

4459

23

R. S. III-21

General and Revenue Secretariat. | L.B. File No. 129 of 1922

Serial No.

Government, then there is force in the view taken by the District Board. If the recovery is of a less amount than what has been incurred, the difference will have to be borne as a loss by Governmen

7C 1562

GENERAL & REVENUE SECRETARIAT 20. FEB. 1924 LOCAL SELF GOVT. BRANCH

Minl 19.2.24

L.L. Secty) (62) Repl. Para 58.

21 L.L. Secy) CR 22.2.24

GENERAL & REVENUE SECRETARIAT 67115 23. FEB. 1924 LOCAL SELF GOVT. BRANCH

1st Member)

23/2

(63) The Manager of the Mng. Sec. Branch may be consulted as proposed by the Financial Secretary

24/2

GENERAL & REVENUE SECRETARIAT 28. FEB. 1924 LOCAL SELF GOVT. BRANCH

Recd 27/2/24

(64) Draft CR 26/2

26

(65) Dft subd for approval.

27/2/24 L.L. Secy (66) CR 28.2.24

28 (67) Mis sent to me

appd

1/3

NOTE—Contn. sheet.

GENERAL & REVENUE SECRETARIAT 1 MAR. 1924 LOCAL SELF GOVT. BRANCH

4689 24

G. R. S. II

General and Revenue Secretariat.

LB File No. 129 of 19 22

Serial No.	
10.	To The Manager Mysore Bank Ltd, Bangalore No. L. 7122 dated 6-3-22. Forwards copies of cl. 8 & 9 and request to intimate early the real return on capital making allowance for Income Tax which will make the Loan issue a success.

GNS

NOTE—Contn. sheet.

P.T.O.

25

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

29115

MRM-S 22-3,500-31-7-22

LB. 129-22-11

RAILWAY SECRETARIAT.

No. R.S. 1828

Mysore, 12th March 1924.

From

C. DOVE WILSON, Esq.,

Secretary to the Government of Mysore for Railways,

MYSORE.

GENERAL & REVENUE SECRETARIAT 5253 14 MAR. 1924 LOCAL SELF GOVT. BRANCH

GENL. & REV. SECTT. Br. L 14 MAR. 1924 G. D. SECTION

To

The Secretary to Government,
Local and Legislative Department, Bangalore.

Construction of the Nanjangud-Chamarajanagar Railway.

Sir,

I have the honour to invite reference to correspondence ending with your letter No.L.6115/L.B. dated 2nd February 1924 on the above subject and to request the favour of being informed when the Railway Secretariat papers sent with U.O.No.152/D.No.137, dated 15th August 1923 will be returned.

I have the honour to be,
Sir,
Your most obedient servant,

For Secretary for Railways,
Government of Mysore.

General and Revenue Secretariat.

LB File No. 129 of 1922

Serial No.

12 From the Manager, Mysore Bank No. L29 548v of 13.3.24.

States that it will be difficult to make a success of the loan to be raised by the Mysore St Bd for constructing the Nanjangud-Chamarajanagar Railway Line even at 6½% interest.

22) The main file has been sent to the 1st Member of Council in connection with the resignation of the Railway Secretary for return of his office file.

23) The Manager of the Mysore Bank says that it will be difficult to make a success of the loan even at 6½ per cent and that the difficulty which militates against the success of our loans is that there is no free market for our paper. He adds that the 6% Chitaldrug Debentures can be purchased at present at par plus 9D and that as the govt is not prepared to allow

Since read and noted
[illegible]

File returned officiating as minister by 18th inst.
[illegible]

NOTE—Contn. sheet.

5327 27

G. R. S. III-2]

General and Revenue Secretariat.

L B File No. 127 of 19 22

Serial No.

the Income to be taxed by the Mysore Act Bill to be issued by free of Mysore Income tax, ~~[illegible]~~ he presumes that the Income will be subject to the income tax of British India if held by investors residing outside Mysore. He is also of opinion that the ~~[illegible]~~ principal & interest should be unconditionally guaranteed by Govt.

74) Submit for orders with ref to the 1st Memorandum in para 71 above

AS 21/3/23

25/3/23 AS 25) L and L Leg) 26/3

8363 27/3

7.b.) 1st Member 7 p/c. Income tax not free from 26/3

77) Issue orders at once with the approval of the Financial Secretary

26/3

78). Publish the draft above.

29/3

79) draft G.O. Issue

AS 31/3/23 80) For approval

81) L & L Leg) 1/4

H Leg) 24/4

H 1939/23

NOTE—Contn. sheet.

G. R. S. III-2.

General and Revenue Secretariat. | 473 File No. 129 of 1922

Serial No.

82) The Draft Reply is approved
7/4/22

13 L 8077-9. 19.4.22. To President Office Mysore, Comptr, Secy Finys, Manager Bank of Mysore. Directs that the loan be allowed to be collected in instalments but that it cannot be made free from income tax

Press cut 12/4

14 From the Prisons, Mysore No. C1524 dated 4th April 22 Submits for approval a revised prospectus for raising the loan

83) The revised prospectus now sent has been examined and the following points require consideration

84) Para 2 of prospectus. Reference to G.O. of 9-4-2 is necessary and the necessary addition has been made in this office.

Appd Tht

85) Para 3(1) of prospectus. As the loan is not free from income tax, the point has been made clear by necessary addition in the draft prospectus in this office. In this ——

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat. | M File No. 129 of 1922

Serial No.

In this connection reference is invited to the first sentence of note on page 7 of this file that this point need not be mentioned in the loan prospectus. But under notfn no R 4135 FT 14-20-3 of 22-9-20 this loan will be free from income-tax till 30th June 1925. To avoid an ambiguity and future troubles it may perhaps be expedient to make the necessary addition in the loan prospectus.

G. The Financial Secretary may agree to excellent interpretation

86) Para 4 of the prospectus. Inasmuch as specifically authorised by the G.O.s of 4-1-24 and 9-4-24, this para enables the Board to discharge the loan much earlier than 15 years. ~~It appears~~ This may be retained.

Yes

Perhaps

87) Para 5 of the prospectus. This provides for the payment of bonus to debenture holders. In this connection reference is invited to para 15 of the notes above wherein the first sentence and the 1st member have received that it

NOTE—Contn. sheet.

5936

50

G. R. S. III-21

General and Revenue Secretariat.

M File No. 129 of 19 22

Serial No.

is not necessary to pay any bonus. If approved para 5 of the prospectus will be deleted. This will have the effect of the Govt informed that in fact the date at page 10 this is excluded.

88) para 8 of the prospectus. This provides for the payment of a discount of 1 per cent on an advance paid up in full before a particular date. On page 10 of the notes the Finl Secy has noted that payment of discount is not necessary. But the 1st Member has noted that discount is necessary. If this para has to be retained the limit of time up to which discount will be paid has to be settled.

The Financial Secretary may also be consulted

88) Seen for orders
DS
24/4/22

90) The prospectus may be approved with the above omissions & modifications.

25/4/22

L & L Secy) 1st Member

Secy

9126
575

NOTE—Contn. sheet.

G. R. S. III-2.

General and Revenue Secretariat.

Pub File No. 129 of 19 22

Serial No.

92) Para 7 — In instalments & not less than the sum specified above — what does this mean. It seems clear that the number & instalments in which the amount is payable should be specified.

93) Para 5. I think should be retained. It will take years before the loan is matured & return of 6½ p/c on the capital outlay. There is no harm in retaining this provision which will afford the Govt necessary to investors. Invest the money. If this provision is deleted, the special feature of a Debenture Bond here will disappear.

94) The Financial Secretary may be consulted.

Pl. [illegible] 9/5/1925

[illegible]
12/5

95) The expression seems to mean that at every further call, the applicants will have to pay a sum of not less than Rs 12½ in case of bonds of the value of Rs 100 and above and Rs 5 in case of bonds of the value of Rs 25/.

96) As directed by the Member,

NOTE—Contn. sheet.

R. S. III-21

General and Revenue Secretariat.

59/36 39

Jul File No. 129 of 1922.

Serial No.

H 2 310/23

This file is forwarded to the Finance for opinion.

[illegible] 16/5

[illegible] 16/5/24

97) The answer to the first members question in reference to para 7 of the draft Prospectus is as stated above. It is not desirable to permit instalments being paid in irregular intervals spread over a period of two years giving two months notice each time. The number of instalments should be fixed once for all, as also the dates by which they should be paid.

98) In regard to clause (5) of the draft Prospectus the Financial Secretary has already recorded his opinion and the f.o. of 4 January 1924 was issued after accepting his opinion on this point. The f.o specifically provides for the reserved being reserved state of net earnings for the Sinking

NOTE—Contn. sheet.

R. S. III-21

59 side

387

General and Revenue Secretariat.

WL File No. 129 of 192

Serial No.

R 5340

Issued in view of the ~~and~~ the general terms laid down in Fn no. H. 4932-84 of 22nd April 1914 under which which government is entitled to a share of profits when the tin yields more than 4 p.c it should find funds to make up the deficiency if the yield is less, we cannot agree to the provision in clause (5) of the draft Prospectus it has to be deleted.

21
20-5-24

L.L. Scott

WL 27/5/24

(99) Resubmitted with the opinion of the Flett.

G 885 26/5

First Member

WL 27/5

(100) Please see marginal remarks in his opinion and cancel his financial advantage agreement.

WL
27/5

(101) Forwarded to the Flett regarding the remarks of the First Member on paras.

NOTE—Contn. sheet.

34)

G. R. S. III-2]

General and Revenue Secretariat. | LB File No. 129 of 1922

Serial No.

FINANCIAL SECRETARIAT
27. APR. 1928
H 2310-23

85 and 88 of the note

Left

H Sing)

27/5

28/5/2

102) Para 85. I think this case has to be treated as an exception to G.O. of 22-9-20 and interest on this issue made liable to income tax from date of issue.

As now amended (draft prospectus) the loan is made subject to tax while it's the interest which is liable to tax. This clause may be suitably revised.

103) Para 88. Discount may be allowed as an inducement to investors and avoid early

Clause 3 of Prospectus. I do not think the Debenture holders can have any claim to a return additional to the guaranteed rate of 7 p.c. Please see point no 17 of my note dt 4.9.23

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat.

File No. 124 of 19

Serial No.

104) Submit for orders with reference to the Member's orders on pp. 29, 30 & 31 of the note (paras 85 & 88)

7/6/24

Joint Member)

10/6

CNO 57 11/6

10366 11.6.24

105) Please see para 93 - Miscellaneous 5. The prospects which retained in spite the spirit the Financial Secretary's contrary - Otherwise the special feature the D.B. bill will disappear. It is a harmless clause and it will take years before the line is made to yield a return of 4½ p/c on the capital outlay.

13/6

DEWAN'S OFFICE, RECD. ON 1 JUN 1924 Reg. No 9036

106) Please submit - Hon'ble the Dewan

13/6

107) Mr. Secretary

Chief Secretary)

12/6

108) Circulate

12/6

NOTE—Contn. sheet.

36)

(For Disposal at a Meeting)

No. C. 133

of 1923-4.

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xii of the schedule.)

Permission to the Mysore District Board to raise a loan for the construction of the Nanjangud-Chamarajnagar Railway line.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

18th June 1924.

Chief Secretary to Government.

Extraordinary Member of Council.

10519 / 18/6/24 First Member of Council.

450 / 24.6 Second Member of Council.

Third Member of Council.

37)

17. C/33

Subject. -

109) Permission to the Mysore District Board to raise a loan for the construction of the Nanjangud-Chamarajnagar Railway line.

....

OPINION OF THE COUNCIL.

110) ~~[illegible]~~ The prospectus may be approved with the omission of clauses, viz: profits above 4% being shared.

3/7/[illegible]

L. & L. Secy. with Comptr.

3/7/[illegible]

3/7

111) Plan [illegible] adopt

General and Revenue Secretariat.

LB File No. 129 of 1922.

Serial No.

112) Dft G.O. subd for approval.

4/7/24

113) Please type this draft as revised.

4/7

114) Typed Dft subd.

5/7/24

Land Secy

5/7

206
7.7.24

115) Draft approved by Minister

116) Appd.

10/7

11.7.

117) Done

11/7.

118) In view of the information furnished by the Railway Secretary in the linked file, the appd dft will issue without the second para.

119) Subd for orders

12/7/24

120) Orders - ~~Draft~~ as on the draft

14/7

Fe 153/24

121) Fe Secretary's minute is recorded at page 34 (Q).

NOTE—Contn. sheet.

To The Comptroller

122) Dft & fair copies are put up

19.7.24

123) Issued

5936 39)

[R. S. III-2]

WD 2310—GPE—10,000—31-5-24

General and Revenue Secretariat

Dis File No. 129 of 1922

Serial No.

15 no L 382-5 dt 18/7/22. 7.24. To President District Board Mysore, Commissioner to Govt, Secy to Govt Rys & Manager Bank of Mysore Ltd.

Approves the draft prospectus with certain modifications

124) Para 3 of G.O no. L 8073-6/dis 129-22-13 dt 9.4.24, Govt promised to pass final orders on the request of the Dt. Board to pay only half of the cost incurred on the Ry. line from State Funds, on receipt of certain information from the Secretary for Railways.

Flag J

125) As could be seen in the linked file received from the Ry. Secretariat, The actual cost incurred on the N.C.R. Ry. is Rs 1,41,044 and the present value of the work done so far is Rs 1,37,450

126) The opinion of the Financial Secretary regarding this item is given in para 61 supra.

Submd for orders

M. S. K.
23/7/24

L and L Secy)

23/7

127) The point for consideration now is whether the Dt. Bd. has only to contribute half the expenditure incurred till now on the Dt. Bd. should pay ~~for the value~~ of the actual work done i.e. at their present value.

NOTE—Contn. sheet.

5936/L

(10)

G. R. S. III-2]

WD 2310—GPB—10,000—31-5-24

General and Revenue Secretariat.

L.B. File No. 129 of 19 22

Serial No.

128) According to the Sec. for Railways the present value of the work done is Rs 1,37,450; though the actual expenditure incurred by Govt is greater.

129) It is only fair that the Dt. Bd. should pay ~~for~~ Rs 1,37,450.

858
25.7.24

1st Member

130) How much has the Western Board promised to pay —

24-7

27/7

Please note 29

131) The expenditure incurred by Govt on the Ry. had to be met by the Dt. Board under Govt. no. L 4998-5001/L.B. 129-22-8 dt 3/4.1.1924. The President, in his letter dt 2/6.2.1924, forwarded the resolution of the Board, agreeing to the conditions imposed by Govt in their order of 3/4.1.1924, but praying for three concessions. One of them is that they may be permitted to pay only half the actual cost incurred on the line

Flag 7

Flag O

6036
1/8

132) Subd for orders

29/7/24

29/7

NOTE—Conton. sheet.

General and Revenue Secretariat.

LB File No. 129 of 1920.

Serial No.

133) It is high time to ask his department Brand spray 1,37,650 and 1,41044 spent upon his work. Answer enquiry may be ~~[illegible]~~ explained & his opinion on the whole Brand Calcutta.

his
1/8
4/8
4/8

134) Mean put up a draft

7/8

135) Draft enquiry as per para 133 supra is put up for approval

6/8/20.

136) Mean put up a draft as revised.

6/8

137) Typed draft sent for approval

7/8/20

(L L Lees)

7/8

138) Done

7/8

139) Done

9/8

NOTE—Conton. sheet.

General and Revenue Secretariat

LB File No. 129 of 1922

Serial No.

16 vide L 1312 dt 15/8/24. To Provent District Board Nuppe. Request him to furnish the opinion of the Bd in the matter of paragraph 137 480, the actual expenditure incurred by Govt in the

(160) Submitted to the Chief Secretary as per instructions.

16/8/24

Chief Secy)

(161) Secy returned with the

19/8

19/8/24

GENERAL & REVENUE SECRETARIAT

20. AUG. 1924

LOCAL SELF GOVT. BRANCH

D no 1542

30. 8. 24.

Extract from the Dewan's Tour Notes in the Nuppe st during July & August 24.

(162) "The question is important & requires early consideration".

(163) There is nothing for Govt to do at this stage. The question of construction has to be undertaken by the Dt Board, in consultation with the Ry. Dept.

(164) The Dt Board should that only half the cost of the expenditure incurred on the works till now by Govt may be recovered from them.

NOTE—Contn. sheet

Reply to this office 31/16 is awaited.
Put up for orders

The proposal has been approved by Govt. and the Dist Bd has to draft work. The reply of the Dist in regard to ~~[illegible]~~ payment of cost of work already done is awaited.

[illegible]

[illegible] to pay only the salary of the [illegible] previously sanctioned.

Reference para 133 supra.

Submit for orders.

L. L. [illegible]

1st meeting

[illegible]

2501
16.9.24

[illegible] 15/9

[illegible] 16.9

[illegible] 15/9 If any reply be received the case brought up for early consideration in C

20.9

DEW[illegible]CE,
[illegible] 1924
2433

[illegible]

[illegible] 23.9

H 1194
1924

C 142 / 1924

G. R. S. III-2

General and Revenue Secretariat.

File No. C.133 of 1923-24.

Serial No.

153 Attention is invited to the last para of my note dated 19th February 1924. The Railway Department considers that the present value of the Work is nearly equal to the Book cost incurred upon it. The proposal of the Board to pay only half the cost is not, therefore, quite reasonable. If, however, it is considered necessary to show any concession to the District Board for having come forward to make the line its own Concern, I would suggest that the cost of the Work to be reimbursed to Government may be fixed ~~at~~ in round figures, at Rs.1 lakh. Even this ~~condition~~ concession cost ~~the~~ Government Rs.41,044 and this amount may be written off as it can no longer remain on the books as Railway Capital Expenditure.

CDWO 178 / 14.10.24

L. L. Scott

12.10.24

13/10

154 Submitted with reference to para 133 of this notes.

First Member

14/10.

3216 / 14.10.24

155 The proposal of the Financial Secretary may be accepted.

156 Please write Mr. Martin

157. Legal

22.10.

Dewan

16/10

DEWAN'S OFFICE, RECD. ON 17 OCT 1924 Reg. No. 2910

NOTE—Contn. sheet.

AN EARLY
(For Disposal at A Meeting)

No. C. 128
of 1924-5

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xii of the schedule.)

Proposal of the Mysore District Board in the matter of paying to Government the actual expenditure incurred on the Nanjangud-Chamarajnagar Railway line.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

25th October 1924.

Chief Secretary to Government.

Extraordinary Member of Council.

First Member of Council. Seen by the Member

Second Member of Council. Spoken with 27/10

419/25.10

Third Member of Council.

C-128 46

tract from the Proceedings of the 715th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 8th November 1924 *19*

87. Subject.- Clause xii of the Schedule.

Proposals of the Mysore District Board in the matter of paying to Government the actual expenditure incurred on the Nanjangud-Chamarajnagar Railway line.

OPINION OF THE COUNCIL.

The proposal to charge the District Board for the work done, Rs.1 lakh as suggested by the Financial Secretary may be approved.

(Signed) A.R. Banerji,
Dewan of Mysore.

"EXTRACT"

Sent to the 1st Member for final note

3871/12.11

Chief Secretary to Government.

WD 1471—GPB—2,000—1-3-21

The Member's final note is placed on the file

S N Subbi
Dewan

Vh 3.11

Final Note by the First Member of Council.

Subject:— Proposals of the Mysore District Board in the matter of paying to Government the actual expenditure incurred on the Nanjangud-Chamarajanagar Railway line.

One of the conditions on which the Mysore District Board has been permitted to raise a loan for the construction of the Nanjangud-Chamarajanagar Railway is that it should reimburse to Government out of its accumulated railway cess collections the amount already spent by Government on this line. The expenditure incurred by the Government on this work is reported to be Rs. 1,41,044 and the present value of the work is estimated at Rs. 1,37,450. The District Board requests that it may be allowed to pay for the work only one-half of its present value.

Page 44 of Office Notes

The Financial Secretary is of opinion that as the present value of the work is nearly equal to the Book cost, the amount to be reimbursed to Government may be fixed at Rs. 1 lakh, if it is considered necessary to show any concession to the District Board for having come forward to take up this Railway.

Page 46 of Office Notes

Some consideration to the District Board in this matter is necessary and the Council have accordingly resolved that "the proposal to charge the District Board for the work done, Rs. 1 lakh as suggested by the Financial Secretary may be approved."

His Highness' gracious sanction is solicited to this recommendation.

Bangalore,
12th November 1924.

Nazir Ahmad Hussain
MEMBER OF COUNCIL.

48

Submitted to His Highness.

I submit herewith a Final Note by the First *Member of Council on the subject of* proposals of the Mysore District Board in the matter of paying to Government the actual expenditure incurred on the Nanjangud-Chamarajnagar Railway line, *for His Highness' gracious approval.*

Dewan.

13 NOV 1924

49

Record of Cases submitted for the Orders of His Highness the Maharaja.

N. 257
13-11-24

Subject.

Proposal to charge the District Board, Mysore, Rs. 1 lakh on account of work done on the Nanjangud-Chamarajanagar line

Order.

KRW
14/11/24

Sy L.G.

15 NOV 1924

13/11

R. S. III-2]

1766 C128 50

General and Revenue Secretariat. | File No. of 192.

Serial No.

Proposal of the Mysore District Board in the matter of paying to Govt the actual expenditure incurred on the Nanjangud - Chamarajnagar Railway Line

Circulated to the Members of Council for perusal of

ers before/~~after~~ issue of orders. (*Vide* Rules 31, 33 and

Rules for the conduct of business of Council in the

ules and Procedure.)

Chief Secretary to Govt.

This may be sent to the Commercial Branch for further action

15/4/24

e Secretary to Government,

and R .....Department.

15/4/24

For Subs to Hon'ble Secy, Esq. after further action

MBER OF COUNCIL.

7/11

By Members of Council.

17.11.24.

MEMBER OF COUNCIL.

17/11

Draft to Secy for personal. Draft may be put up thereafter

L. L. Secy

17/4

MEMBER OF COUNCIL.

21.11.24

Draft may be put up

15/4

1335—GPB—500—16-1-23.

eral and Revenue Secretariat.

LB File No. 129 of 1922

17662 24 51

Serial No.

Draft Submd

Bose 22.11.24 HK

Mem perhaps a little over typed draft

24/11

4326 27.11.24

Submd with fair draft.

Bose 24/11/24 HK

2. L Secy

(1st Member)

25/11

26/11

30/11

1.12

Done

2/12

Fe 1143/24

Fe Secty's opinion has been followed. (A)

Submd with Dft & fair copies

Bose 3/12/24

4/12/24

To, The Comptroller

Fe 2989 dated 4.12.24

214 no L 4957-8 dt 14.12.24. To President Bd mysore remitts. Directs that the amount to be paid to Govt Legislative Dept Board be fixed at Rs 1 lakh

5/12

NOTE—Contn. Sheet

Railway Secretariat. File No. 52 of 192

Serial No.

P.U.D.

Diary No.137 dated 19th July 1923.

---

1) Letter No.L.414/L.B.129-22-7 dated 17th July 1923 forwarding his office file relating the construction of the Nanjangud-Chamarajanag Haradanahally Section.

2/ The above file was called for in order t point out that the final recommendations of th Railway Secretary to Government in regard to t construction of the Nanjangud-Chamarajanagar-Hardanahally Section have not been properly st in the Government Order No.L.6971-4/L.B.129-2 dated 9th April 1923.

Slip R recorded in Local & Legis. Secty

Slip K

3/ For original and final recommendations the Railway Secretary kindly see slips G and

4/ Submitted for orders.

5/ The final recommendations of the Railway Secy were to work the line f 60 p.c and charge 5% p.c for hire of Rolling Stock; vide Notes dated 6.1.23 Govt. (Flag P). This is not stated in the G.O dated 9.4.23 (Flag K).

19/7

6/ The omission may be pointed out to the Rev. Secy

GB 24/8

Serial No.

a.o. no: 152 8/15 8/23
D. no 137
(Encls list put up)

L
8-63-23

7) Rly Secy with Compliments

8) L.S. 14/8

9) 16/8/23
For a note on the point raised very early
16.8.23.

10. Para 4 of the G.O. of 9.4.23 simply states the opinion of the Railway Secy given by him in his note dated 20.2.22 submitted by him in connection with the memorial of the inhabitants of Nanjangud as recorded by the Member in his final note of 21.3.22

11. The Ry Secy changed his opinion later on and ~~has~~ then added on page 4 of the notes in the margin that 60 per cent for working expenses was proper and in his later note of 6.1.23 he has recorded that 60 per cent may be charged for working expenses and this rate has not been finally accepted either by the then 1st Member or the Fin Secy. The question of fixing the rate was not settled finally and there was no necessity to mention this in the G.O. of 9.4.23.

12. There is no omission as noted by the Ry Secy in para 6 above. The

Ly in linked file

Serial No.

conditions under which the Ry will have to be worked and other incidental matters will have to be considered only after the guarantee is given and the work is actually commenced

23/8/23

13 Refer Paras 7 & 8.

(Rev. Sec.)

27. 8. 23.

(14) First Member) 27/8/23

(14) notes in lieu of the above awaiting further question may be raised

16/9

17.9.23

(15) Orders have been passed on the linked file LB 129-22. Send with ref to the 1st Member's minute dated 16-9-23 above

8/1/24

9. 1. 24.

9/1

(Sd Secretary)

First Member

9/1

9. 1. 24

Please see Member's orders on the linked file

First Member's view (in LB 129-22-1) in the linked file :- "May be seen."

863 55

Railway Secretariat. File No. ..... of 192 .

	Serial No.	
G.O. No. 186.		Returned with compliments to the Secretary to Govt for Railways as requested in his letter No. P.25 R.S. 1828 dated 12th March 1924. G.R.S. File L.B. 129-22 S.S.2, 3 & 4 has been perused in this office. By order,
		J. Somervaille Jr.
		For secy to Govt Local & Legis Depts 25/3/24
		If approved, the a.o. G.O. dated 9.4.23 (Flag K) may now be sent to the Agent before recorded the file. alee 28/3 28/3 Yes GB 28/3
	13	Copy sent with no. R.S. 1924 dated 29-3-24.

GENERAL & REVENUE SECRETARIAT 26 MAR. 1924 LOCAL SELF GOVT. BRANCH

RAILWAY SECRETARIAT RECEIVED. 27 MAR. 1924 Diary No. L.O. 152 GOVERNMENT OF MYSORE

P.T.O.

Railway Secretariat | File No. of 192

Serial No.

P.U.D. 28 Letter No.3 dated 4th July 1924 from the Agent, Mysore Railways, forwarding a copy of the Lem by the Superintendent, Way and Works, together with its enclosure re: Nanjangud-Chamarajanagar Railway.

(P.26) With reference to para 3 of G.O.No.L.8073-6/L. B.129-22-13 dated 6th April 1924 on the above subject, the following information is furnished by the Superintendent, Way and Works:-

	Rs.
(a) Actual cost incurred on N.C.Ry.	1,41,044
(b) Present value of the work done so far.- (Rs.1,41,044 minus Rs.3,600 being total damage that require restoration=1,37,444) or in round figures	1,37,450

May be submitted to the Dewan for orders.

alw 5/7

Dewan 5/7/24

Dewan

This info may be sent to Secy L.D.

8.7

1. JUL. 1924

10/7

L.D. Secretary

DEWAN'S OFFICE, 7 JUL 1924 No. 164

RAILWAY SECRETARIAT RECEIVED 9 JUL 1924 Diary No. 23 GOVERNMENT OF MYSORE

02821

D.No.23 Ent 4 Secds 9/7/24

M.O.13/0.23 Ent 4 Secds 9/10/7/24

No. C/1524 R. B
22-23

57

Office of the President, District Board,
Mysore District,
Dated, Mysore, the 25th June 1923.

B. Ramaswamaiya, Esq., B.A.B.L.,
President, District Board of Mysore,
Mysore.

To

T. E. Jeyarama Iyer, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Revenue Department,
Bangalore.

Sir,

With reference to para 6 of Government Order No.L.6971-4 L.B.129-22-2 dated the 9th April 23 authorising the District Board of Mysore to raise a debenture loan for the construction of the Nanjangud-Chamarajanagar Railway Line and calling for a definite scheme showing the terms and conditions of the loan and the arrangements for meeting the interest and sinking fund charges, I have the honour to state that the subject was placed before the District Board at their meeting held on the 16th June 23. The Board are of opinion that without the Government guaranteeing the repayment of the loan and intersst as in the case of certain other railways, they feel almost certain that the loan could not be successfully floated.

The draft prospectus has been prepared and approved by the District Board on the presumption that the guarantee named will be given by Government. As a sum of four lakhs is ready for expenditure from the available resources of the District Board (including the accumalated Railway Cess of Rs.3,14,552 upto the end of May 23) the Board resolve that the work might be undertaken without delay in the next official year.

In enclosing the draft prospectus together with a copy of the Board's ewssolution, I have the honour to request that early sanc, tion of Government may be obtained to the ~~scheme~~ Scheme as resolved by the Board. It may be added that it will be feasible to make due provision for meeting the interest and sinking fund charges from the Railway Cess and the other income of the Board each year and the details ~~o~~will be worked out and submitted on the approval of Government being kindly intimated to the guarantee referred to above.

I have the honour to be,

Sir,

Your most obedient servant,

P Ramaswamy

PRESIDENT,
DISTRICT BOARD OF MYSORE.

Proceedings of the District Board of Mysore passed at a Meeting held at 2 P.M. at Mysore on Saturday the 16th June 23.

A. Ex-officio Members.

Present 1. The Deputy Commissioner, Mysore District, (President).
—do— 2. The Executive Engineer, Mysore Division, Mysore.
Absent 3. The District Forest Officer, Mysore District.
Present 4. The Assistant Commissioner, Mysore Sub Division.
Absent 5. The District Medical and Sanitary Officer, Mysore.
Present 6. The District Inspector of Schools, Mysore District.
Absent 7. The Assistant Registrar of Co-operative Societies, Mysore.

B. Elected Members.

Elected by Taluk Boards.

Present 8. Mr. T.S. Subba Roo, Land-holder, Tippur, Yedatore
" 9. " Boré Gowda, " Saligrama, "
" 10. " G. Mallappa, " Nagavala, Mysore
" 11. " R. Devaiah, " Hareohalli, "
" 12. " Mir Raza Alli Sab, " Periyapatna, Hunsur
" 13. " Chowdé Gowda, " Chickhuvar, "
" 14. " M. Subba Rao, Contractor, Nagge, Heggadadevan
Absent 15. " E. Krishnappa, Land-holder, Nanjangud.
Present 16. " P. Papanna, Merchant, " "
" 17. " Channabasappa, Sowcar, Kabbahalli, Gundlupet.
" 18. " Doraswamiengar, Land holder, Chamarajanagar.
" 19. " Chowda Setty. " , —do—
" 20. " G. Venkatramana Setty. " , T-Narsipur.
" 21. " P.R. Lakshmanappa, " , Mugur, T-Narsipur.
" 22. " Chickasubbaiya, Land holder, Halagur, Malavalli,
" 23. " Chikkanna @ Venkatappa, Malavalli.
" 24. " G. Dewaji Rao, Pleader, Mandya.
" 25. " K. Papaiya Setty, Merchant, —do—.
" 26. " C. Narasimhachar, Land-holder, Narasimhanahalli Krishnarajpet.
" 27. " Ayachit Narayana Dixit, Inamdar, Gudehosahalli, Krishnarajpet.
" 28. " ~~Vacant~~. B. Narasinga Rao.
Absent 29. ~~Vacant~~ Siddalinga Devaru.
30. Vacant
31. Vacant

60

Elected by Municipal Councils.

Absent 32. Mr. E. Purushothama Anandagiri Gowda, City Municipal Council, Mysore.

Present
33. " Doddamantha Setty, Land-holder, Hunsur Municipal Council.
34. " Kundi Hutchayya, -do- Malavalli Municipal Council.
35. " T. Venkatasamaiya, -do-, Chamarajanagar Municipal Council.

Absent
36. " Dejavaiya, Land-holder, Seringapatam -do-
37. " K. Venkatasamaiya, Advocate, Nanjangud -do-

Elected by Inamdars.

38. Mr. M. K. Krishna Rao, Inamdar and Pleader, Mysore.

Elected by Recognised Associations.

Present
39. Mr. M. C. Lakshmipathaiya, Jain Education Fund Association, Mysore.
40. " B. K. Ramakrishnaiya, B.A., B.L., Bar Association, Mysore.

Co. Nominated other than Ex-Officio.

Absent 41. " H. Ranganawamiengar, Land-holder, Mysore
Present 42. " H. Krishnasastry, -do-, Krishnarajpet
Absent 43. " M. S. Devajee Rao, -do-, Yedatore.
Present 44. Captain V. L. Wynyard Wright, Manager, Hunsur Works.
Absent 45. Rev. Father D'Silva, Catholic Priest, Doddamakali
Present 46. Mr. M. C. Linge Gowda, Patel & Land-holder, Maddur.
Absent 47. " Mahomed Sait, Merchant, Doddak, Mysore
Present 48. " Biram Khan Sab, Land-holder, Kirgavalu, Malvalli

P.T.O.

xxxx xxxx xxxx xxxx

2. Government order No.L.6971-4/L.B.129-22-2 dated the 9th April 1923 authorising the District Board of Mysore to raise a debenture loan for completing the construction of the Nanjangud -Chamarajanagar Railway Line as a light feeder Railway(Metre guage) and calling for a definite scheme showing the terms and conditions of the loan and the arrangements for meeting the interest and sinking fund charges.

The District Board offer their thanks to the Government for kindly sanctioning the raising the loan with a view to the speedy construction of the Nanjangud-Chamarajanagar Railway line and for undertaking the working of the line.

The Board observes that the order of the 9th April 23 provides for a scheme of construction under an arrangement regarding working expenses etc., as laid down in para 4 of the order. But the Board prefer the scheme of the Government guaranteeing the repayment of the loan and interest as in the case of certain other railways e.g., Chitaldrug-Chikkajajjur, Shimoga-Arasalu etc., They pray that Government may be pleased to similarly sanction the guarantee named, in the absence of which they feel almost certain that the loan could not be successfully floated.

The draft prospectus as prepared on the presumption that the guarantee named will be given, is approved for submission to Government for sanction.

Due provision will be made for meeting the interest and sinking fund charges from the Railway Cess and the other income of the Board each year.

As a sum of four lakhs is ready for expenditure from the available resources of the Board, early action may be kindly taken by Government to sanction the scheme and commence the work without delay in the next official year.

xxxx xxxx xxxx xxxx

"Extract"

H Venkatachar
Secretary

MYSORE DISTRICT.

PROSPECTUS OF THE DISTRICT BOARD RAILWAY DEBENTURE LOAN OF 1923.

The construction of Nanjangud-Chamarajanagar Section of the Nanjangud-Erode metre-gauge line as a Light Feeder Railway (metre-gauge) has been sanctioned in Government Proceedings No.L.6971-4/L.B.129-22-2 dated 9th April 1923. The detailed estimates of the project are under preparation in the Public Works Department.

2. The capital cost of this section of the Railway is now roughly estimated at Rs.12 lakhs. The District Board have resolved to find the cost by raising a Debenture Loan. The proposal of the District Board to finance the scheme has been approved by the Government and this prospectus is accordingly issued for -- raising a Debenture Loan of 8 lakhs with the approval of the Government of His Highness the Maharaja of Mysor

3. The Debentures will be issued under the following conditions:-

(1) The debenture bonds will be for Rs.25, Rs.100, Rs.5 and Rs.1000 each. The loan will bear interest at 7 per cent per annum payable on the 31st December and 30th Ju with effect from the date of payment of the money into the Government Treasury (2) The loan will run for a period of 20 years from the date of the opening of th Railway Line and will then be repayable at par (3) the repayment of the loan and the payment of interest are both guaranteed by Government.

4. The District Board of Mysore reserve to themselves

the option to redeem the loan or any portion of it at the expiry of the 10th or 15th year after previous notice of six months to the Debenture Holders by publication in the Mysore Gazette. The debentures to be thus discharged may be selected by lot or otherwise as the Government or the District Board may deem fit; and if the present loan is to be discharged by raising another at a cheaper rate of interest, the Debenture Holders of the present loan shall be given the option to take up shares in the loan at a lower rate.

5. After the line has begun to yield a return of more than four per cent on the capital outlay, one half of the surplus profit accruing to the Board's share may be distributed as bonus among the Debenture Holders, the other half being retained by the Board as the nucleus of a sinking fund.

6. As regards working recoupment against loss in interest charges, division of surplus profit, creation of a sinking fund etc., the principles laid down in Government order No.Fl.4932-81/G.F.163-13-1 dated 22nd April 1914 will apply to this Railway Line.

7. Debentures to the value of 8 lakhs of rupees are now available for subscription by the public including such of the Municipalities and District Boards as may decide to invest in the same and application for debentures in the prescribed printed form hereto annexed together with the 1st instalment of not less than 12½ per cent of the amount applied for in the case of debentures of Rs.100 and above and Rs.5/- in the case of debentures of the value of Rs.25 may be presented at any Government Treasury in the District.

Calls for the balance will be made in instalments of not less than the amount specified above spread over two years, at least two months notice being given before each call. On failure to pay the further calls the amounts previously paid up will be liable to be forfieted to the District Board.

8. A discount of 1 per cent will be allowed on all debentures paid up in full on or before - on account of all debentures ~~xxxxxxxx~~ subscribed by that date.

PRESIDENT,
DISTRICT BOARD OF MYSORE.

FORM OF APPLICATION.

To

The President,

District Board of Mysore,

Mysore.

Through

The Treasury Officer,

Taluk/District Treasury.

Sir,

I request that

debenture bonds of the valur of Rs. each in the debenture loan raised by the Mysore District Board under Government sanction for the Mysore District Board Railway Project may be registered in my name on the terms mentioned in the Prospectus and I herewith remit Rs. only being the 1st instalment towards the above.

I undertake to pay further calls in instalments of not more than 12½ per cent in the case of debenture of the value of Rs.100 and above and Rs.5/- in the case of debentures of the value of Rs.25/- as mentioned in the prospectus spread over two years.

Place

Signature of subscriber

Date

Full name and address of subscriber

Note This application must be filled up and signed by the subsriber and presented at the Treasury with duplicate chellans of the usual form. One of the Chellans will be returned to the party with the Treasury Officer's acknowledgement. This chellan should

6 copies

all

106

G.R..S VI G 34]

C 133

SUBJECT.....

Diary No. of letter replied to... 656 b.

Section L.B

File No. 129-22

Serial No. 8

General and Revenue Secretariat

( )

the 192

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 3/1/24
4.1.24

Signed by

Read—

Letter no C 1524 / L.B. dated 25th June 1923 from the Presdt, Mysore Dt Bd submitting with ref to G.O. no L 6971-4/L.B 129-22-2 dated 9th April 1923 a draft prospectus for raising a loan for constructing the Nanjangud Chamrajnagar Railway line

~~Order Thereon No.~~

Order no:- L 4998-5007.

Govt are pleased to permit the Mysore Dt Board to raise a loan of Rs 8 lakhs on the

May this be

i Printed ? M

ii treated as a standing order ?

iii published in the Gazette, English Part ?

v translated ?

v placed at the disposal of the press ?

vi published in the Gazette, Kannada Part ?

following conditions:-

(a) The amount of the loan [illegible]

(b) The loan shall be issued at par and collected at such [illegible] in instalments

(c) The loan shall bear interest at 7 per cent per annum and it will not be free from income tax.

(d) The interest on the loan shall be the first charge on the railway cess collected in the District.

2. This permission is granted on the presumption that the cap[illegible] cost of the line which [illegible] at Rs [illegible] la[illegible] increase the expend[illegible] already incurred fr[illegible] funds and that the Board will from [illegible] accumulated rail[illegible] cess repay to Govt the amo[illegible] already in advance [illegible] the line [illegible]

3. The repayment of the loan will be guaranteed by Govt, provided the Dt Bd reserve the balance if any, of the cess collections after meeting the interest charges and also the nett earnings of the Railway for a Sinking Fund. The Govt will undertake to work the line on the usual conditions if the Dt Bd agree to the terms of guarantee now offered.

4. The Presdt is requested to submit a revised draft prospectus for the approval of Govt.

List of enclosures

Copied by

Examined by

WD 1883—GPB—1 080,00- 21-12-2

The Presdt [illegible] the draft [illegible]

L 4459-23

5340

19

GENERAL & REVENUE SECT.

7 FEB 1924

LOCAL SELF GOVT. BRANCH

From

The President
District Board of Mysore
Mysore

To

The Secretary to the Government of Mysore, Local and Legislative Department, Bangalore

Dated

Despatched 2nd Feby 24.

Received

General No. C 15242-23 Br. L

No. 22-23

GENL. & REV. SEC. 7 FEB. 1924

Enclosure No.

Enclosing copy of the resolution of the District Board of Mysore in the matter of Conditions relating to the construction of Nanjangud Chamarajanagar Railway line

Recd 8/2/23 2 P.M

X X X X X X

27 G.O.No. L 4998-500/L.B.129-20-8 dated 3rd/4th January 1924 permitting the Mysore District Board to raise a loan of Rs. 8 lakhs on certain conditions for constructing the Nanjangud-Chamarajanagar Railway Line.

Resolution:-- The Board agree to the modifications mentioned in para 1, conditions (a) and (d) of the Government order, and also to the arrangement indicated at para 3.

As regards condition (b), the Board fear that it may be difficult to collect the required amount if the convenience of payment by instalments is not provided for.

Next with regard to condition (c), the Board would urge the loan being made free of income-tax, as this would be a real attractive feature to intending investors.

Finally, with regard to recouping the cost already incurred by Government on the work, referred to in para 2, the Board prays that it may be allowed to pay only half the cost, as a measure of concession and encouragement to this important enterprise by the District Board.

X X X X X X

H Krishna Sastry

President,
District Board of Mysore

G. R. S. VI—G/32]

SUBJECT ...

Diary No. of letter replied to

Section LB.
File No. 129-22
Serial No. 10.

General and Revenue Secretariat
(LB.9.)
, *the* 192

No. L 7/Vol

Date of issue 6/3/24

Signed by

To
The manager
The Bank of Mysore Ltd.,
~~Mysore~~
Bangalore

Sir,

I am directed to ~~state that~~ ~~The Board Mysore have are desirous~~ ~~of~~ raising a loan of 8 lacs of rupees in open market for the purpose of constructing the Nanjangude-Chamarajanagar Ry line ~~and would~~ remaining That the interest payable on the loan ~~must~~ may be free from ~~Income~~-Tax and to request you to be so good as to state, at a very early date, ~~that~~ the real return on capital, making allowance for ~~over~~ income-tax

P.T.O.

formal sanction is awaited of G.O. no 4997-5001 L.B 129-22-8 of 3/4-1-24 in response to my letter no 15246-B of even no dt 23 of 2-2-24 from the Mysore State Bank.

W D 0632—GPB—1800C—16-8 23

77

ALL COMMUNICATIONS TO BE ADDRESSED
TO THE MANAGER.
TELEGRAPHIC ADDRESS: "MYSOREBANK."

No. Ulf. C. 22/5480

The Bank of Mysore, Ltd.,

Bangalore, 15th March '24.

COPIED

The Secretary to Government,
Local & Legislative Departments,
Bangalore.

GENERAL & REVENUE SECRETARIAT
53327
18 MAR 1924
LOCAL SELF GOVT. BRANCH

LB. 129-22-12.

Dear Sir,

I am in receipt of your letter of the 6th instant forwarding copies of Government Order No.4998-5501/L.B.129-22-8 dated the 3rd/4th January 1924 in regard to the raising a Loan of Rupees 8 lakhs in the open market for the purpose of constructing the Nanjangud-Chamarajnagar Railway Line, and of letter I 4/L.B. 22-23 dated the 2nd/6th February 1924 from the President, District Board, Mysore.

I note that the Government is not prepared to allow the Loan to be issued free of Mysore Income Tax and as there is no mention made of British India Income Tax, I presume it will be subject to such tax if held by investors residing outside the State.

In these circumstances I think that it will be difficult to make a success of the loan even at 6½%. I am of opinion that the payment of principal and interest should be unconditionally guaranteed by the Government of Mysore.

The difficulty which militates against the

success of our Loans is that there is no free market for the paper. Chitaldrug 6% Debentures can be purchased at present at about 90%.

Yours faithfully,

OFFG. MANAGER.

MSR

G.R.S. VI G 3]

79

SUBJECT...

Diary No. of letter replied to..... 4459 5327

Section L.B.
File No. 129-22
Serial No. 13

General and Revenue Secretariat

( )

the *192*

Proceedings of the Government of His Highness the Maharaja of Mysore

Date of issue.... 9.4.24

Signed by.... T.K.S.

Read

Letter no. C 1524 L.B 22-2 dated 2nd Feb 1924 from the President, Mysore Railway Board, submitting with reference to G.O. no L4998 L.B. 129-22-8 of 4-1-24 sanctioning the raising of loan of Rs 8 lakhs for constructing the Nanjangud-Chamarajanagar Railway, a copy of the resolution of the Board proposing certain alterations in the conditions prescribed.

May this be

i Printed? yes

ii treated as a standing order? No

iii published in the Gazette, English Part? yes

iv translated? No

v placed at the disposal of the press? No

vi published in the Gazette, Kannada Part? No

~~Order Thereon~~ No.

Dle 714

[illegible] the Board recommend that

(1) the loan may be allowed to be repaid in instalments as proposed

(2) the loan be made free of income-tax, and

(3) the Board may be empowered to pay to the [illegible] out of work already incurred on the line from State funds.

2. Upon careful consideration of the proposals that are placed to direct that the loan be allowed to be repaid in instalments as proposed by the Board but that it can not be made free from income-tax.

3. As regards the recovery from the Board of the cost of work already incurred by them, the Secy for Railways is requested to report only the actual cost incurred thereon and the present value of the work done so far. Copies of such will issue in the matter after receipt of the information called for.

4. The Board is requested to submit for the approval of Govt a draft prospectus at a very early date.

Copied by

Examined by

List of enclosures.

WD 1883—GPB—1,000,00—21-12-22

The Board, upon [illegible] the completed report [illegible] the Secy for Rly [illegible]

GENERAL & REVENUE SECRETARIAT
21 APR. 924
LOCAL SELF GOVT. BRANCH

32986
2 5936 19

The President,
District Board of Mysor
M y s

To

The Secretary to the
of H. H. the Maharaja o
Local and Legislative
Bangalor

Dated

Despatched 17th April 19
19

Received

General No. C. 1524

No.

Enclosure No.

Subject.

Submitting resolution of Dis
trict Board and requesting sion
to the revised prospectus foisi
a loan for constructing the ang
Chamarajanagar Railway Line.

Proceedings of the District Board of Mysore passed at a meeting held at 1 P.M. on Saturday the 12th April 1924

PRESENT

A. Ex-officio Members.

1. The Deputy Commissioner, Mysore District, President
2. The Executive Engineer, Mysore Division
3. The District Forest Officer, Mysore District.
4. The Assistant Commissioner, Mysore Sub Division.
5. The District Medical Officer, Mysore District.
6. The District Inspector of Schools, Mysore District.
7. The Assistant Registrar of Co-operative Societies, Mysore.

B. Elected Members.

Elected by Taluk Boards.

8. Mr. T. S. Subba Rao, Landholder, Yedatore Taluk.
9. " Bore Gowda, Landholder, Saligrama, Yedatore Taluk.
10. " G. Mallanna, Patel & do Nagavala, Mysore Taluk.
11. " R. Devaiya, Shanbogue & do, Hootagalli, do
12. " Mr. Raja Ali Sab, Merchant, Periyapatna, Hunsur Taluk.
13. " Bowle Gowda, Patel, Chikka Hunsur, Hunsur Taluk.
14. " M. Subba Rao, Contractor, Magge, Heggadadevankote Taluk.
15. " E. Krishnappa, Land holder, Nanjungud, Nanjangud Taluk.
16. " G. Papanna, Merchant, do do
17. " Channabasappa, Sowcar, Kabbahalli, Gundlupet Taluk.
18. " Dorasamiengar, Landholder, Chamarajanagar.
19. " Chowda Setty, Landholder, do
20. " G. Venkataramana Setty, Merchant, T. Narasipur.
21. " G. R. Lakshminarnappa, Landholder, Mugur, do Taluk.
22. " Venkatappa Alias Chikkanna, Merchant, Malavalli.
23. " Chikka Subbaiya, Zamindar, Halagoor, Malavalli Taluk
24. " G. Devoji Rao, Pleader & Landholder, Mandya.
25. " K. Papaiya Chetty, Landholder, do
26. " A. Narasimha Char, do Narasinganahalli, Krishnarajapet Taluk
27. " Ayachita Narayana Dikshit, Gudehosahalli do
28. " B. Narasinga Rao, Pleader & Landholder, Seringapatam
29. " Siddalinga Devaru, Landholder, Seringapatam.
30. " Gundappa, Landholder, Devalapur, Nagamangala Taluk
31. " Mahamad Gouse Sahib, Landholder, Nagamangala

(II) Elected by Municipal Councils.

32. Mr. E. Purushotama Anandagiri Goswamy, Mysore City.
33. " H. V. Hanumantha Setty, Hunsur Municipal Council.
34. " Kundi Hutchaiya, Malavalli Municipal Council.
35. " Dyavaiya, Nanjangud Municipal Council. Seringapatam.
36. " K. Venkatasamaiya, Nanjangud Municipal Council.
37. " T. Venkatasamaiya, Chamarajanagar Mun. Council.

(III) Recognised Associations.

38. " B. K. Ramakrishnaiya, Bar Association, Mysore.
39. " M. C. Lakshmipathaiya, Jaina Education Fund Association, Mysore.

(IV) Elected by Inamdars.

40. " M. K. Krishna Rao, Inamdar & Pleader, Mysore.

C. Nominated Members Other than Ex-Officio.

41. " H. Rangaswamy Iyengar, Mysore.
42. " H. Krishna Sastry, Krishnarajapet (Vice President)
43. " Captain V. L. Wynyard Wright, Manager, Hunsur Works, Hunsur.
44. " M. C. Linge Gowda, Maddur, Mandya Taluk.
45. " Reverend Father D'Silva, Catholic Priest, Doranahalli, Yedatore Taluk.
46. " Mohamad Said, Merchant, Doddapet, Mysore.
47. " Devoje Rao, Landholder, Yedatore.
48. " Biramkhan Sab, Landholder, Kiragaval, Malavalli Taluk.

N.B. All are present except Nos. 3, 6, 29, 41, 46.

xxxx xxxx xxxx xxxx

33. Government order No.L.8073-6/L.B.129-22-13 dated the 9th April 24 passing orders respecting certain alterations proposed by the District Board to the conditions prescribed for raising a loan of Rupees Eight lakhs for the construction of Nanjangud-Chamarajanagar Railway Line and calling for a revised draft prospectus for orders.

Resolution:- The Board agree to the conditions imposed by Government and the draft prospectus as revised in accordance with the Government Order is approved and sanction of Government thereto

may be obtained.

xxxx xxxx xxxx xxxx

" E X T R A C T "

H Krishnaiah

For P r e s i d e n t,

District Board of Mysore.

MYSORE DISTRICT.

PROSPECTUS OF THE DISTRICT BOARD RAILWAY DEBENTURE LOAN OF 1924, as approved by Govt in their G.O. no L /L.B. 129-22- 7.

1. The construction of the Nanjangud-Chamarajanagar Section of the Nanjangud-Erode Metre-gauge line as a Light Feeder Railway (metre-gauge) has been sanctioned in Government Proceedings No.L.6971-4/L.B.129-22-2 dated the 9th April 23. The detailed estimates of the project are under preparation in the Public Works Department.

M

2. The capital cost of this Section of the Railway is now roughly estimated at Rupees Twelve Lakhs. The District Board have resolved to find the cost by raising a Debenture Loan. The proposal of the District Board to finance the scheme has been approved by the Government and this Prospectus is accordingly issued for raising a Debenture Loan of Rupees Eight Lakhs as sanctioned in Government Order No.L. 4998-500/L.B.129-22-8 dated the 3rd/4th January 1924. and G.O. no 8013-6/L.B 129-22-13 of 9-4-24.

The I member has been pleased to allow of this addition. (para 84 of the notes)

3. The debentures will be issued under the following conditions:-

(i) The Debenture Bonds will be for Rs.25, Rs.100, Rs.500 and Rs.1000 each. The loan will bear interest at 7 per cent per annum, which will be payable on the 31st December and 30th June with effect from the date of payment of the money into the Government Treasury, ~~which~~ and the interest will be subject to ~~payment~~ the assessment of income tax.

Financial delay wants this change to be made (para 103 of the notes)

(ii) The loan will run for a period of 15 years from the date of the opening of the Railway Line and will then be repayable at par.

(iii) The repayment of the loan and the payment of interest are both gauranteed by Government.

4. The District Board of Mysore reserve to themselves the

the option to redeem the loan or any portion of it at the expiry of the 10th year, after previous notice of six months to the debenture holders by publication in the Mysore Gazette. The debenture to be thus discharged may be selected by lot or otherwise as the Government ~~or~~ or the District Board may deem - fit; and if the present loan is to be discharged by raising another at a ~~cheaper~~ lower rate of interest, the debenture holders of the present loan shall be given the option to take shares in the new loan. [~~at a lower rate.~~]

[Sentence omitted]

(1) 87 — 5. After the line has begun to yield a return of more than four per cent on the capital outlay, one half of the surplus profit ~~according~~ accruing to the Board's share may be distributed as bonus among the debenture holders, the other half being retained by the Board as the nucleus of a Sinking Fund.

5. As regards working, recoupment against loss in interest charges, division of surplus profit, creation of a Sinking Fund etc., the principles laid down in Government Order No. Fl.4932-81/G.F.163-13-1 dated the 22nd April 1914 apply to this Railway Line, the interst on the loan being the first charge on the Railway Cess collected in the District.

6. Debentures to the value of Eight Lakhs of rupees are now available for subscription by the public including such of the Municipalities and District Boards as may decide to invest in the same and application for debentures in the prescribed form hereto annexed together with the first instalment of not less than 12½ per cent of the amount applied for in the case of debentures of Rs.100 and above and Rs.5 in the case of debentures of the value of Rs.25 may be presented at any Government Treasury in the District. Calls for the --- balance will be made in instalments of not less than the --- amount specified above spread over two years, at least two months notice given before each call. On failure to pay the

88

the further calls, the amount previously paid up will be liable to be forfieted to the District Board.

(2) 7~~8~~. A discount of one per cent will be allowed on all debentures paid up in full on or before on account of all debentures subscribed by that date

P R E S I D E N T,
DISTRICT BOARD OF MYSORE.

B. O

For Secretary to Govt
4th sept

4/7/24.

89

PROCEEDINGS OF THE GOVERNMENT OF

HIS HIGHNESS THE MAHARAJA OF MYSORE.

LB 129-22-15

R e a d.-

1. G.O. No. L.4998-5001/L.B.129-22-8, dated the 3rd/4th January 1924 permittin the District Board of Mysore to raise a loan of Rs. 8 lakhs, on certain conditions, for the purpose of constructing the Nanjangud-Chamarajanagar Railway li

2. G.O. No. L.8073-6/L.B.129-22-13, dated the 9th April 1924, directing tha the loan be allowed to be collected in instalments as proposed by the Board an that it cannot be made free from Incom tax.

3. Correspondence ending with letter No. C.1524-L.B/22-23, dated 17th/19th April 1924 from the President of the District Board, Mysore, forwarding, as per para 4 of the G.O. dated the 9th April 1924 read above, for approval, a draft prospectus on the floatation of t loan, and stating that the District Boa is agreeable to the conditions imposed Government.

Order No. d. 382-5

Bangalore, 18th July 192

1. The draft prospectus sent up by the Board embodies in Clause 5 a condition for the payment of bonus to debenture holders when the profits earned exceed 4 per cent on the capital outlay.

Government are not in favour of this proposal. The clause will therefore be omitted. The draft prospectus is approved with this omission and is appended to this order.

2. The Secretary to Government for Railways is requested to expedite the submission of the report called for regarding the actual cost of work already incurred by Government and the present value of the work done so far.

omitted as the information was already furnished in reply dated 10 & 10/9 [illegible] 14/9

L & L. Secy. to Government.

To

The Pt. Dt. Bd., Mysore.

The Comptr. to Govt (thro' Fi.Sectt).

The Secy. to Govt. for Railways.

The Manager, Bank of Mysore Ltd.

L.W.M.

Lo 129-2216 91
no. d. 1312
15th August 24

To

The President, District Board,

Mysore.

Sir,

Flag J

With reference to para 3 of the G.O. No. L. 8073-6/L.B. 129-22-13, dated 9th April 1924, re. the amount incurred on the construction of the Nanjangud-Chamarajanagar Railway and the sum to be recovered from the District Board in the matter, I am directed to state that the actual expenditure incurred by Govt., as reported by the Railway Secy. amounts to Rs. 1,41,044 and the present value of the work done is Rs. 1,37,450. The District Board will have therefore to pay a sum of Rs. 1,37,450.

I am therefore to request you to be so good as to furnish the opinion of the District Board in the matter.

Flag 7

In this connection, the Board's attention may be invited to para 2 of G.O. No. L. 4998-5001/L.B. 129-22-8, dated the 4th January 1924 permitting the Board to raise a debenture loan of 8 lakhs for the construction of the Railway by the Board on the presumption that the capital cost will include the expenditure already incurred from the State Funds and that the District Board will repay to Govt., the amount incurred by them, from the accumulated railway cess Fund of the Board.

I have etc.,

Secy. to Govt.,
L & L Departments.

1878

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14073 92

1924-192

GENERAL & REVENUE SECRETARIAT
17661
10. SEP. 1924
LOCAL SELF GOVT. BRANCH

From

The President,
District Board of Mysore,
Mysore.

To 63/129-22-17

The Secretary to the Government of
H. H. the Maharaja of Mysore,
Local and Legislative Departments,
Bangalore.

Dated 6th September 24.

Despatched 9th September 24

Received 10. SEP. 1924

General No. C. 422 L3/24-25

Enclosure No.

Subject.

Submitting the resolution of the District Board in the matter of paying to Government the sum of Rs.1,37,450 being the expenditure incurred by Government on the Nanjangud-Chamarajanagar Railway Line.

Proceedings of the District Board of Mysore passed at a meeting held at 1 P.M. on Saturday the 30th August 24.

:00:

A. Ex-Officio Members.

The Deputy Commissioner, Mysore District (President)
2. The Executive Engineer, Mysore Division.
3. The District Forest Officer, Mysore District.
4. The Assistant Commissioner, Mysore Sub Division
5. The District Medical Officer, Mysore District.
6. The District Inspector of Schools, Mysore District
7. The Assistant Register of Co-operative Societies. Mysore Division

B. Elected Members.

1. Elected by Taluk Boards.

8. Mr. T. S. Subba Rao, Landholder, Lippur, Yedatore Taluk
9. " Bore Gowda, Landholder, Saligrama, Yedatore Taluk
10. " G. Mallanna, Patel and do, Nagavala, Mysore Taluk
11. " R. Devaiya, Shanbogue, Narohalli, — do —
12. " Mir Raza Alli Sab, Merchant, Periyapatna, Hunsur Tk.
13. " Chowde Gowda, Patel, Chikka Hunsur, Hunsur Tk.
14. " Mr. Subba Rao, Contractor, Moagge, Heggadadevankote T
15. " E. Krishnappa, Landholder, Nanjangud, Nanjangud Tk
16. " P. Papanna, Merchant, Nanjangud, — do —
17. " Channabasappa, Sowcar, Kabbahalli, Gundlapet Tk.
18. " Doraswamiengar, Landholder, Chamarajanagar.
19. " Chowda Setty, Landholder, Chamarajanagar.
20. " G. Venkataramana Setty, Merchant, T. Narasipur.
21. " P. R. Lakshminarnappa, Landholder, Nugur — do — Tk
22. " Venkatappa Alias Chikkanna, Merchant, Malavalli.
23. " Chikka Subbaiya, Zamindar, Kalagur — do — Taluk
24. " G. Devojee Rao, Pleader, Mandya, Mandya Taluk.
25. " K. Papaiya Chetty, Landholder, — do — — do —
26. " A. Narasimha Char, — do — Nagasinganahalli, Krishna rajapet Tk.
27. " Ayachita Narayana Deekshit, Gudehosahalli, — do —
28. " B. Narasinga Rao, Pleader, Seringapatam.
29. " Siddalinga Devaru, Landholder, — do —
30. " Gundappa, Landholder, Dwalapura, Nagamangala Taluk
31. " Mahamad Gouse Sahib, Landholder, Nagamangala

P.T.O.

B. II. Elected by Municipal Councils.

32. Mr. E. Purushotama Ananchapri Gosaimy, City Mol. Cl.
33. " H. V. Hanumanthu Chetty, Hansur Mol. Council.
34. " Kundi Hutchaiya, Landholder, Mudhuvalli Mol. Cl.
35. " H. Venkataswamaiyer, B.A., B.L., Nanjangud Mol. Cl.
36. " Dyavaiya, Landholder, Seringapatam Mol. Council.
37. " T. Venkatasamaiya, Chamarajanagar Mol. Cl.

III. Elected by Recognised Associations.

38. " B. H. Ramakrishnaiya, B.A., B.L., Bar Association.
39. " M. C. Lakshmipathaiya, Jaina Education Fund Assn.

IV. Elected by Inamdars.

40. " Mr. H. Krishna Rao, Inamdar & Pleader, Mysore.

C. Nominated Members Other than Ex. Officio

41 " C. Narasimhaiya, B.A., B.L., advocate, Mysore
42 Vacant.
43 " Captain V. L. Wynyard Wright, Manager, Hunsur Works.
44 Reverend Father D'Silva, Roman Catholic Priest, Doranahalli, Yedatore Taluk.
45 " M. C. Linge Gowda, Landholder, Maddur.
46 " Mahamad Bait Merchant, Doddapet, Mysore.
47 " Devoji Rao, Landholder, Yedatore.
48 " Biramkhan Sab, Landholder, Kiragavil, Malavalli Tk.

00.00.

All were present except Nos. 5, 9, 17, 23, 36 and 42(vacant).

xxxxx xxxxx xxxxx xxxxxx

30. Letter No. L.1312/L.B.129-21-16 dated 15-8-24 from the Secretary to Government, Local and Legislative Departments, stating that the actual expenditure incurred by Government on the Nanjangud-Chamarajanagar Railway Line amounts to Rs.1,37,450 and inviting the opinion of the District Board in the matter of paying the above sum to the Government.

Resolution:- The order of Government No.L.3073-6/L.B.120-22-23 dated the 9th April 24 refers to the actual cost incurred on the work, and the present value of the work done so far. In the present reference, however, there is no mention of the latter. The District Board would request to be allowed to pay only one half of the amount as previously resolved in their meeting of 26th January 24 and reported to Government.

xxxxx xxxxx xxxxx xxxxx

" E X T R A C T "

Bhadrisamaiya

For President, District Board of Mysore.

163 129-22-24 96

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

R e a d.-

1. Para 2 of G.O. No. L.4998-500 L.B.129-22-8, dated the 3rd/4th January 1924 permitting the Mysore District Board to construct the Nanjangud-Chamarajanagar Railway line and raise a debenture loan of Rs. 8 lakhs therefo on condition amongst others that the Board will repay to Government from the accumulated Railway Cess the amount already incurred by Government for the line from the State Funds.

2. This office letter No. L.1322 L.B.129-22-16, dated the 15th August 1924, to the President, District Boar Mysore District, intimating that the expenditure incurred on the line by Government amounts to Rs. 1,41,044 ar the present value of the work done amounts to Rs. 1,37,450 and calling for the opinion of the Board in regard to the payment by the Board of the sum of Rs. 1,37,450.

3. Correspondence ending with letter No. C.422/L.B.24-25, dated the 6/9th September 1924 from the President, District Board, Mysore District forwarding an extract of the resolution of the District Board, requesting to be allowed to pay only one half of the present value.

Letter No.3, dated the 4th July 1924 from the Agent, Mysore Railways, to the Secretary to the Government of Mysore for Railways, Mysore.

Nanjangud-Chamarajanagar Railway.

Adverting to your letter No.1999, dated the 11th April 1924 forwarding a copy of G.O.No.L.8073-6/L.B. 129-22-13, dated 9th April 1924, I have the honour to forward herewith a copy of the memo by the Superintendent, Way and Works, together with its enclosure furnishing the information called for in para 3 of the G.O. referred to above.

"COPY".

NANJANGUD CHAMARAJANAGAR RAILWAY.

Ref.-- G.O.No.L.8073-6/L.B.129-22-13
dated 9th April 1924.

In para 3 of the above Government Order information is called for on the following two points:-

1. Actual cost incurred thereon.
2. Present value of the work done so far

As regards item (1) above, a copy of detailed figures booked on the several items of the Project estimate as furnished by the Auditor is herein enclosed. It may be summarised as follows:-

	Rs.
1. Preliminary expenses.	1,521
2. L a n d.	28,156
3. Formation (earthwork)	68,218
4. Bridges.	3,944
5. Ballast & Permanent Way.	541
6. Plant.	866
7. General charges.	31,772
Total.	1,35,020
Add suspense heads	6,102
Total.	1,41,122
Deduct R.C.A	78
Net outlay	1,41,044

@ These are said to be land.

charges pending adjustment to final heads.

As regards item 2 the cost of damages to banks and cuttings have been measured and estimated and also the loss on materials collected and